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FISCAL IMPACT REPORT

ORIGINAL DATE 1/17/2008

SPONSOR Rawson LAST UPDATED 1/30/2008 HB _____

SHORT TITLE Housing Audit Service Purposes SB 8/aSFC

ANALYST Leger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
See narrative		Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 134

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the State Auditor (OSA)

New Mexico Mortgage Finance Authority (MFA)

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee makes the following changes:

On page 1, line 11, after the semicolon insert, “extending the expenditure period and”.

To read, “An act relating to housing; extending the expenditure period and; clarifying the purpose of an appropriation for audit services; declaring an emergency”.

Synopsis of Bill Original Bill

Senate Bill 8, with emergency clause, expands the purpose and extends the time for expenditure of funds through FY09.

Senate Bill 8 will amend Laws 2007, Chapter 50, Section 8.

SIGNIFICANT ISSUES

Laws of 2007, Chapter 50, Section 8 appropriated \$200 thousand to OSA for an accounting of all assets acquired by regional housing authorities. Of the appropriated amount \$70 thousand was spent on the accounting of assets, the balance available for a financial accounting is \$130 thousand.

OSA estimates the total cost to conduct a financial audit on all regional housing authority is \$300 thousand. Based on this estimate an additional \$170 thousand will be needed. OSA further states that time and resources would be needed to locate financial records that are not readily available for the audit.

The New Mexico Mortgage Finance Authority (MFA) reports that region III which covers the counties of Bernalillo, Sandoval, Torrance and Valencia is in need of completing audits from FY03-04 to FY06-07 and region IV which covers the counties of Union, Harding, Quay, Guadalupe, Curry, De Baca, and Roosevelt is in need of completing audits from FY04-05 to FY06-07. Regions V (Catron, Grant, Hidalgo & Luna counties) & VI (Lincoln, Chaves, Otero, Eddy & Lea counties) are up-to-date on their audits. Regions I, II, & VII have dissolved. Financial records for region I & VII have been transferred to region III and region II financial records have been transferred to the Santa Fe Housing Authority.

PERFORMANCE IMPLICATIONS

OSA expresses concern that the timeframe to conduct the audit may be difficult for OSA due to other commitments and performance measures already committed to meet.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 134

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Fiscal detail of each regional housing authority will not be available.

JLL/mt:nt